

**Effective 5/13/2014**

**Renumbered 5/12/2015**

**63M-1-413 State tax credits.**

- (1) Subject to the limitations of Subsections (2) through (4), the following nonrefundable tax credits against a tax under Title 59, Chapter 7, Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income Tax Act, are applicable in an enterprise zone:
  - (a) a tax credit of \$750 may be claimed by a business entity for each new full-time employee position created within the enterprise zone;
  - (b) an additional \$500 tax credit may be claimed if the new full-time employee position created within the enterprise zone pays at least 125% of:
    - (i) the county average monthly nonagricultural payroll wage for the respective industry as determined by the Department of Workforce Services; or
    - (ii) if the county average monthly nonagricultural payroll wage is not available for the respective industry, the total average monthly nonagricultural payroll wage in the respective county where the enterprise zone is located;
  - (c) an additional tax credit of \$750 may be claimed if the new full-time employee position created within the enterprise zone is in a business entity that adds value to agricultural commodities through manufacturing or processing;
  - (d) an additional tax credit of \$200 may be claimed for two consecutive years for each new full-time employee position created within the enterprise zone that is filled by an employee who is insured under an employer-sponsored health insurance program if the employer pays at least 50% of the premium cost for the year for which the credit is claimed;
  - (e) a tax credit of 50% of the value of a cash contribution to a private nonprofit corporation, except that the credit claimed may not exceed \$100,000:
    - (i) that is exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code;
    - (ii) whose primary purpose is community and economic development; and
    - (iii) that has been accredited by the Governor's Rural Partnership Board;
  - (f) a tax credit of 25% of the first \$200,000 spent on rehabilitating a building in the enterprise zone that has been vacant for two years or more; and
  - (g) an annual investment tax credit of 10% of the first \$250,000 in investment, and 5% of the next \$1,000,000 qualifying investment in plant, equipment, or other depreciable property.
- (2)
  - (a) Subject to the limitations of Subsection (2)(b), a business entity claiming tax credits under Subsections (1)(a) through (d) may claim the tax credits for up to 30 full-time employee positions per taxable year.
  - (b) A business entity that received a tax credit for one or more new full-time employee positions under Subsections (1)(a) through (d) in a prior taxable year may claim a tax credit for a new full-time employee position in a subsequent taxable year under Subsections (1)(a) through (d) if:
    - (i) the business entity has created a new full-time position within the enterprise zone; and
    - (ii) the total number of full-time employee positions at the business entity at any point during the tax year for which the tax credit is being claimed is greater than the number of full-time employee positions that existed at the business entity at any point during the taxable year immediately preceding the taxable year for which the credit is being claimed.
  - (c) Construction jobs are not eligible for the tax credits under Subsections (1)(a) through (d).
- (3) If the amount of a tax credit under this section exceeds a business entity's tax liability under this chapter for a taxable year, the business entity may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next three taxable years.

- (4) Tax credits under Subsections (1)(a) through (g) may not be claimed by a business entity primarily engaged in retail trade or by a public utilities business.
- (5) A business entity that has no employees:
  - (a) may not claim tax credits under Subsections (1)(a) through (d); and
  - (b) may claim tax credits under Subsections (1)(e) through (g).
- (6) A business entity may not claim or carry forward a tax credit available under this part for a taxable year during which the business entity has claimed the targeted business income tax credit available under Section 63M-1-504.